

**Learn your rights and responsibilities for
Transaction Privilege (Sales) Taxation by attending:**

Tax and License Open House
Tuesday, July 14, 2009 10:30 AM to 12:00 PM
Columbus Library – 4350 E. 22nd St.

NOTICE TO TAXPAYERS

In order to balance the Fiscal Year 2010 Budget, Mayor and Council have adopted the following tax code changes that are effective July 1, 2009.

Utilities and Telecommunications Providers

The Public Utility tax rate is increased from 2% to 4% on the income of persons engaging in providing utility and telecommunication services to consumers who reside within the city limits.

Transient Rentals

The surtax rate is increased from \$1.00 to \$2.00 for each 24-hour period or fraction thereof that each occupancy is rented upon persons who provide transient lodging.

Membership Fees

The 2% privilege tax is imposed on the income of persons engaging in providing amusements including health spas, fitness centers, dance studios or other persons who charge for the use of premises for sports, athletic, other health-related activities or instruction, whether on a per-event use, or for long-term use, such as membership fees.

If you have questions regarding these changes, please contact either the License Section at (520) 791-4566 or the Tax Audit Section at (520) 791-4681. You may also e-mail your questions to Tax-License@tucsonaz.gov.

Tucson Tax and License Online (www.tucsonaz.gov/etax)

If you have not yet registered to use Tucson Tax and License Online, you will need to create a user ID and password. We must have a Federal EIN or SSN in our database for you to use this site. We prefer that you use an EIN. If you don't have one, go to www.irs.gov. To find out if we have an FEIN/SSN, e-mail your business name, license number, and FEIN/SSN to Tax-License@tucsonaz.gov. If we do not have the FEIN/SSN in our database, it will be added. You will be able to create a user ID and password the next day.

Two ways to pay using Tucson Tax and License Online:

- One-Time ACH – If you use this method, your transaction will be sent to your bank the next business day. You enter your bank information each time you use this method.
- SurePay – This method is for businesses that submit sales tax returns. You register for SurePay by entering your bank information once. Each month when you submit your tax return, the payment transaction will be processed at the end of the month in which the taxes are due. You will see the transaction in your bank account the first week of the

next month. SurePay is not effective until the next month after the month in which you register. SurePay will only take taxes due for the current month; payments due for previous months will need to be paid using One-Time ACH. You need to file your tax return no later than the 25th to be sure it gets posted correctly.

SurePay Example: You register for SurePay on June 17th. You file your May 2009 return on June 17th. You pay this return using One-Time ACH. You file your June 2009 return on July 15th. SurePay will process the payment for your June 2009 return the last day of July. You will see the transaction in your bank account the first week of August.

Avoiding Errors on Your City of Tucson Tax Account

1. Use only black or blue ink on forms you send back to us. The scanners we use to process your return and other billings only recognize dark colored inks and will not read red ink at all.
2. Do not change the license number or tax period on the pre-printed tax returns. The long bar code contains this information so that we can process your return and payment quickly. When you change the license number or tax period, your return and payment will not be posted to your account correctly. If you need additional tax returns, go to our web site at <http://www.tucsonaz.gov/finance/TRMS-TaxReturnFillCalc.pdf>
3. Do not use older versions of the City's tax returns. The current version of our returns is on our web site at <http://www.tucsonaz.gov/finance/TRMS-TaxReturnFillCalc.pdf>.
4. Enter amounts for both Gross Receipts and Net Taxable, even if the amounts are the same.
5. On the back of the return, there is a special section for Construction Contracting. Do not enter deductions in this area if you do not have a Business Class Code 15 on the front of your return. If you have a Code 15, enter your sales tax collected deduction at the bottom of the return with the other contracting deductions.
6. Retail Service Labor (Deduction Code 16) is **not** a valid deduction for Construction Contracting (Business Class Code 15). Retail Service Labor is a valid deduction for Retail (Business Class Code 17).
7. Use Tax is entered on Line 1. Enter only the taxable amount in Column 1 and Column 3. Do not enter any deductions. Go to <http://www.tucsonaz.gov/finance/UseTax.html> for more information about Use Tax.
8. If you need to report a deduction that is not listed on the back of the form, enter the amount in "Other" and write a brief explanation of the deduction you are taking.
9. If you have more than one Code, write down your deductions for that Code on the back of the return in the column for that Code. For example a business has a Code 15 and a Code 17, put the contracting deductions under the column for 15 and the retail deductions under the column for 17.
10. The deductions listed on the back of the return are for deductions allowed by the Tucson Tax Code for your business activity. Do not list business expenses such as fuel for vehicles, telephone, and payroll.